

HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDING DECEMBER 31, 2002

OF THE CONDITION AND AFFAIRS OF THE

Cape Health Plan, Inc.

NAIC Group Code	0000 (Current Period)	0000 (Prior Period)	NAIC Company Code	95759	Employer's ID Number	38-2455176
Organized under the La	(ı . Stat	e of Domicile o	r Port of Entry	Michigan
Country of Domicile				tes of America	,	-
Licensed as business ty	vpe: Life. Accident	& Health []	Property/Casualty	[] Denta	Service Corporation []	
	,	Corporation [-	n Maintenance Organization	1[X]
	Hospital, Med	cal & Dental Se	rvice or Indemnity []	Is HM	O, Federally Qualified? Yes	s[]No[X]
Incorporated	04/29/1		Commenced Bus		04/29/1	
Statutory Home Office	26711	Northwestern H	lighway, Suite 300	_,	Southfield, MI 48 (City or Town, State and 2	
Main Administrative Offi	ice		26711 Northy	vestern Highwa	v. Suite 300	
Wall Marinional Ve Cili	Southfield, MI 4803		(Street and Number)		
	City or Town, State and Zip			(A	Area Code) (Telephone Number)	
Mail Address	26711 Northwes	ern Highway, S Number or P.O. Box)			Southfield, MI 48034 (City or Town, State and Zip Co	
Primary Location of Boo	,	,		11 Northwester	rn Highway, Suite 300	,
·	Southfield, MI 4803	34			and Number) 248-386-3003	
(0	City or Town, State and Zip			(A	Area Code) (Telephone Number)	
Internet Website Addres	SS		www.c	apehealth.com		_
Statement Contact		THOMAS AS	HFORD MURAR MR. (Name)	_	248-386-3003 (Area Code) (Telephone Number	
	tmurar@capehealth.	com	(Name)		248-945-9149 (FAX Number)	(Extension)
	,		00744 NODTI NA	OTEDNI IIOU		
Policyowner Relations C			26711 NORTHWE and Number)	STERN HIGH	WAY, SUITE 300	
	SOUTHFIELD, MI 48 City or Town, State and Zip			(Area C	248-386-3003 ode) (Telephone Number) (Extension	on)
`		,	0.5510.550	,		,
President	N	ancy Wanchik	OFFICERS	Secretary	y William E	Brodhead
Treasurer		alph Woronoff		500.0ta.,	,	
			VICE PRESIDEN	ITS		
-	Murar		Michele Lundberg		Steve S	Stein MD
Rodgi	er Prong				_	
Name	Manahili	DIR	ECTORS OR TRU	JSTEES	Comita Di	anain MD
	Wanchik te Burns		Ralph Woronoff Etrue Bryant			nasin MD Lightsey
	n Murar		Sue Sarin		_	Brodhead
Janis	Coleman		Myra French		Gladys	s Taylor
		•				
State of	Michigan		S			
County of	Macomb					
reporting period stated claims thereon, except or referred to is a full a period stated above, an Statement Instructions	above, all of the here as herein stated, and and true statement of and of its income and and Accounting Prac	ein described as I that this state all the assets deductions ther tices and Proc	ssets were the absolute pr ment, together with related and liabilities and of the c efrom for the period ende edures manual except to	operty of the sall exhibits, sche ondition and af d, and have be the extent that:	ped officers of said reporting of the porting entity, free and dules and explanations the fairs of the said reporting the completed in accordance (1) state law may differ; of ding to the best of their information.	d clear from any liens of crein contained, annexed entity as of the reporting the with the NAIC Annualor, (2) that state rules of
	Wanchik ef Operating Officer		Thomas Murar Chief Financial Office	r	Susan Chief Execu	
Subscribed and sworn 27 day	to before me this y of February	2003		b. If n 1. S	State the amendment numb	
					Date filed	02/27/2003
Linda Rusie				3. N	lumber of pages attached	

EXHIBIT 3 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

EXHIBIT O ACCIDENT AND HEAETH I HEMICING DOL AND CHI AID												
1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted						
0199999 Total individuals												
Group subscribers:												
			•									
	<u> </u>											
	1		1									
	•											
			•									
	+		+									
0299997 Group subscriber subtotal	0	0	0	0	0	0						
0299997 Group subscriber subtotal		ļ	1									
0299999 Total group 0399999 Premiums due and unpaid from Medicare entities 0499999 Premiums due and unpaid from Medicaid entities	0	0	0	0	0	0						
0399999 Premiums due and unpaid from Medicare entities		<u> </u>	<u> </u>	<u> </u>								
0499999 Premiums due and unpaid from Medicaid entities												
0599999 Accident and health premiums due and unpaid (Page 2, Line 10)	0	0	0	0	0	0						
		•										

EXHIBIT 4 - HEALTH CARE RECEIVABLES

1	2	3	4	5	6	7
Name of Debtor	1 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days	Nonadmitted	Admitted
Individually Listed Receivables:						
MOOOOO Description and individually listed	2,161,332					2 161 222
0499999 Receivables not individually listed	2,101,332	0	0	0	0	2,161,332 2,161,332
0599999 Gross health care receivables	2,161,332	0	U	U	U	2,161,332

EXHIBIT 5 - CLAIMS PAYABLE (Reported and Unreported)

Aging Analysis of Unpaid Claims											
1	2	3	4	5	6	7					
Account	1 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	Over 120 Days	Total					
Claims Payable (Reported)											
0199999 Individually listed claims payable	0	J	Ω	υ	J	<u>U</u>					
0299999 Aggregate accounts not individually listed-uncovered											
U399999 Aggregate accounts not individually listed-covered			0		0	0					
0499999 Subtotals	0	U	Ü	0	U	13,750,000					
0599999 Unreported claims and other claim reserves											
0699999 Total amounts withheld											
0799999 Total claims payable						13,750,000					
0899999 Accrued medical incentive pool						480,000					

EXHIBIT 6 - AMOUNTS DUE FROM PARENT, SUBSIDIARIES AND AFFILIATES

			-, 				
1	2	3	4	5	6	Adm	
						7	8
Name of Affiliate	1 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days	Nonadmitted	Current	Non-Current
Individually Listed Receivables:							
				1			
							
		+					
		+					
		1					
0199999 Individually listed receivables	Λ	n	n	n	n	n	Λ
0199999 Individually listed receivables							
023333 Federivation for intrividually instead	0	0	0	0	0	0	0
0399999 Total gross amounts receivable	U	U	U	U	U	U	0

EXHIBIT 7 - AMOUNTS DUE TO PARENT, SUBSIDIARIES AND AFFILIATES

4	2	0	4	F
1		3	4	5
Affiliate	Description	Amount	Current	Non-Current
0199999 Individually listed payables.	_	0	0	0
0199999 Individually listed payables				
0300000 Total gross payables		0	0	n
0033333 Total gross payables		U	U	0

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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE CAPE HEALTH PLAN, INC.

EXHIBIT 8 PART 1- SUMMARY OF TRANSACTIONS WITH PROVIDERS

	1	2	_ 3	4	5	6
	Direct Medical	Column 1	Total	Column 3	Column 1	Column 1
	Expense	as a %	Members	as a %	Expenses Paid to	Expenses Paid to
Payment Method	Payment	of Total	Covered	of Total	Affiliated Providers	Non-Affiliated Providers
Capitation Payments:						
1. Medical groups	18,820,854	20.7	584,729	100.0	18,820,854	
2. Intermediaries	0	0.0		0.0		
3. All other providers	0	0.0		0.0		
Total capitation payments	18,820,854	20.7	584,729	100.0	18,820,854	0
Other Payments:			·			
5. Fee-for-service	0		XXX	XXX		
6. Contractual fee payments	70,205,360	77 .3	XXX	XXX	70,205,360	
7. Bonus/withhold arrangements - fee-for-service	0	0.0	XXX	XXX		
Bonus/withhold arrangements - contractual fee payments	0	0.0	XXX	XXX		
9. Non-contingent salaries	0	0.0	XXX	XXX		
10. Aggregate cost arrangements	0	0.0	XXX	XXX		
11. All other payments	1,810,283	2.0	XXX	XXX	1,810,283	
12. Total other payments	72,015,643	79.3	XXX	XXX	72,015,643	0
13. TOTAL (Line 4 plus Line 12)	90,836,497	100 %	XXX	XXX	90,836,497	0

EXHIBIT 8 - PART 2 - SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES

	EXHIBITO I ATT 2 - COMMATT OF THANCACTIONS WITH INTERMEDIATES												
1	2	3	4	6	7								
			Average		Intermediary's								
			Average Monthly Capitation	Intermedian/s	Intermediary's Authorized Control Level RBC								
NAIC Code	Name of Intermediary	Conitation Daid	Conitation	Intermediary's Total Adjusted Capital	Control Lovel DDC								
INAIC Code	Name of intermediary	Capitation Paid	Capitation	Total Adjusted Capital	Control Level RBC								
			·										
9999999 Totals		Λ	XXX	XXX	XXX								
aaaaaaa Tolais		U	^^^	^^^	^^^								

EXHIBIT 9 – FURNITURE, EQUIPMENT AND SUPPLIES OWNED

·	1	2	3	4	5	6
Description	Cost	Improvements	Accumulated Depreciation	Book Value Less Encumbrances	Assets Not Admitted	Net Admitted Assets
Administrative furniture and equipment	479 , 110		(222,935)	256 , 175		256 , 175
Medical furniture, equipment and fixtures						
Pharmaceuticals and surgical supplies						
Durable medical equipment						
5. Other property and equipment						
6. Total	479,110	0	(222,935)	256, 175	0	256, 175



EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

REPORT FOR: 1. CORPORATION CAPE HEALTH PLAN, INC.

NAIC Group Code 0000 BUSINESS IN THE STATE O	F Michigan			DURING THE YEAR	2002			(LOCATION)	C Company Code	95759
VALID GROUP GOOD DOGINATION THE STATE OF	1	Compre (Hospital 8	hensive & Medical)	4	5	6	7	8	9	10
	Total	2 Individual	3 Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior Year	43,768								43,768	
2 First Quarter	45,039								45,039	
3 Second Quarter	46,488								46,488	
4. Third Quarter	52,591								52,591	
5. Current Year	54,171								54,171	
6 Current Year Member Months	584,729								584,729	
Total Member Ambulatory Encounters for Year:										
7. Physician	37 , 548								37 , 548	
8. Non-Physician	18,535								18,535	
9. Total	56,083	0	0	0	0	C	0	0	56,083	
10. Hospital Patient Days Incurred	22,150								22,150	
11. Number of Inpatient Admissions	4,921								4,921	
12. Premiums Collected	101,434,147								101,434,147	
13. Premiums Earned	101,434,147								101,434,147	
14. Amount Paid for Provision of Health Care Services	90,836,497								90,836,497	
15. Amount Incurred for Provision of Health Care Services	13,750,000								13,750,000	



EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION 2. DIVISION

REPORT FOR: 1. CORPORATION CAPE HEALTH PLAN, INC.

NAIC Group Code 0000 BUSINESS IN THE STATE O				DURING THE YEAR	2. DIVISION			(LOCATION) NAI	C Company Code	95759
300 300 300 300 300 300 300 300 300 300	1	Comprel (Hospital &		4	5	6	7	8	9	10
	Total	2 Individual	3 Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior Year	43,768	0	0	0	0	0	0	0	43,768	
2 First Quarter	45,039	0	0	0	0	0	0	0	45,039	
3 Second Quarter	46,488	0	0	0	0	0	0	0	46,488	
4. Third Quarter	52,591	0	0	0	0	0	0	0	52,591	
5. Current Year	54,171	0	0	0	0	0	0	0	54,171	
6 Current Year Member Months	584,729	0	0	0	0	0	0	0	584,729	
Total Member Ambulatory Encounters for Year:										
7. Physician	37 ,548 .	0	0	0	0	0	0	0	37 ,548	
8. Non-Physician	18,535	0	0	0	0	0	0	0	18,535	
9. Total	56,083	0	0	0	0	0	0	0	56,083	
10. Hospital Patient Days Incurred	22,150	0	0	0	0	0	0	0	22,150	
11. Number of Inpatient Admissions	4,921	0	0	0	0	0	0	0	4,921	
12. Premiums Collected	101,434,147	0	0	0	0	0	0	0	101,434,147	
13. Premiums Earned	101,434,147	0	0	0	0	0	0	0	101,434,147	
14. Amount Paid for Provision of Health Care Services	90,836,497	0	0	0	0	0	0	0	90 , 836 , 497	
15. Amount Incurred for Provision of Health Care Services	13,750,000	0	0	0	0	0	0	0	13,750,000	

SCHEDULE A VERIFICATION BETWEEN YEARS

1.	Book/adjusted carrying value, December 31, prior year (prior year statement)	0
2.	Increase (decrease) by adjustment:	
	2.1 Totals, Part 1, Column 10	0
	2.2 Totals, Part 3, Column 7	0
3.	Cost of acquired, (Totals, Part 2, Column 6, net of encumbrances (Column 7) and net of additions and permanent improvements (Column 9)	0
4.	Cost of additions and permanent improvements:	
	4.1 Totals, Part 1, Column 13	0
	4.2 Totals, Part 3, Column 9	0
5.	Total profit (loss) on sales, Part 3, Column 14	0
6.	Increase (decrease) by foreign exchange adjustment:	
	6.1 Totals, Part 1, Column 11	0
	6.2 Totals, Part 3, Column 8	0
7.	Amounts received on sales, Part 3, Column 11 and Part 1, Column 12	0
	Book/adjusted carrying value at end of current period	
9.	Total valuation allowance	
	Subtotal (Lines 8 plus 9)	
11.	Total nonadmitted amounts	
12.	Statement value, current period (Page 2, real estate lines, current period)	0
	SCHEDULE B VERIFICATION BETWEEN YEARS	
1.	Book value/recorded investment excluding accrued interest of mortgages owned, December 31 of prior year	0
	Amount loaned during year:	
	2.1 Actual cost at time of acquisitions	
	2.2 Additional investment made after acquisitions	0
3.	Accrual of discount and mortgage interest points and commitment fees	
4.	Increase (decrease) by adjustment	
5.	Total profit (loss) on sale	
	Amounts paid on account or in full during the year	
7.	Amortization of premium	
	Increase (decrease) by foreign exchange adjustment	
	Book value/recorded investment excluding accrued interest on mortgages owned at end of current period	
10.	Total valuation allowance	
11.	Subtotal (Lines 9 plus 10)	0
	Total nonadmitted amounts	
	Statement value of mortgages owned at end of current period	_
	SCHEDULE BA VERIFICATION BETWEEN YEARS	
	Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year	0
2.	Cost of acquisitions during year:	
	2.1 Actual cost at time of acquisitions	
	2.2 Additional investment made after acquisitions	
	Accrual of discount	
	Increase (decrease) by adjustment	
	Total profit (loss) on sale	
	Amounts paid on account or in full during the year	
	Amortization of premium	
	Increase (decrease) by foreign exchange adjustment	
	Book/adjusted carrying value of long-term invested assets at end of current period	
	Total valuation allowance	
	Subtotal (Lines 9 plus 10)	
	Total nonadmitted amounts	
13.	Statement value of long-term invested assets at end of current period	0

5.7 Totals

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE CAPE HEALTH PLAN, INC.

SCHEDULE D - PART 1A - SECTION 1

		0 - 12 134 - 1 - 2		_		IA - SECI	_				
	1	2 Over 1 Year Through	ty Distribution of All Bo 3 Over 5 Years Through	4 Over 10 Years	5	6	7 Col. 6 as a	8 Total from Col. 6	9 % From Col. 7	10 Total Publicly	11 Total Privately Placed
Quality Rating per the NAIC Designation		5 Years	10 Years	Through 20 Years	Over 20 Years	Total Current Year	% of Line 10.7	Prior Year	Prior Year	Traded	(a)
1. U.S. Governments, Schedules D &	DA (Group 1)									Í	
1.1 Class 1						0	0.0	0	0.0		
1.2 Class 2						0	0.0	0	0.0		
1.3 Class 3						0	0.0	0	0.0	 	
1.4 Class 4						0	0.0	0	0.0		
1.5 Class 5						0	0.0	0	0.0		
1.6 Class 6						0	0.0	0	0.0	<u> </u>	
1.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	C
2. All Other Governments, Schedules	D & DA (Group 2)	_								ĺ	
2.1 Class 1						0	0.0	0	0.0		
2.2 Class 2						0	0.0	0	0.0	1	
2.3 Class 3						0	0.0	0	0.0	1	
2.4 Class 4						0	0.0	0	0.0	1	
2.5 Class 5						0	0.0	0	0.0	1	
2.6 Class 6						0	0.0	0	0.0	ĺ	
2.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
3. States, Territories and Possession	s etc. Guaranteed Sc	chedules D & DA (Grou	v	· ·	Ů	ŭ	0.0		0.0	ı	Ů
3.1 Class 1	T	T COLOR	.5 0,			0	0.0	0	0.0	1	
3.2 Class 2						n	0.0	 N	0.0	l	•
3.3 Class 3		***************************************				Λ	0.0		0.0		
3.4 Class 4						Λ	0.0	 N	0.0	l	
3.5 Class 5						n	0.0	 n	0.0	İ	
3.6 Class 6						Λ	0.0	 N	0.0		
3.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	
4. Political Subdivisions of States, Te	•	•	odulos D 8 DA (Overve	4)	U	U	0.0	U	0.0	L 0	
	Tritories and Possess	Sions, Guaranteed, Sch	edules D & DA (Group	4)			0.0	0	0.0	1	
4.1 Class 1						L	0.0	U	0.0	ł	
4.2 Class 2						L	0.0	U	0.0 0.0	l	
4.3 Class 3						J	0.0	U		ł	
4.4 Class 4						U	0.0	0	0.0	ł	
4.5 Class 5		-				ļ	0.0		0.0	İ	
4.6 Class 6		1		_		U	0.0	0	0.0		
4.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
5. Special Revenue & Special Assess	ment Obligations etc.	., Non-Guaranteed, Sch	edules D & DA (Group	5)						1	
5.1 Class 1						0	0.0	0	0.0		
5.2 Class 2						0	0.0	0	0.0	 	
5.3 Class 3						0	0.0	0	0.0	 	ļ
5.4 Class 4						0	0.0	0	0.0		
5.5 Class 5						0	0.0	0	0.0	 	.
5.6 Class 6		ĺ				0	0.0	0	0.0	1	

0.0

0.0

9.7 Totals

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE CAPE HEALTH PLAN, INC.

Quality Rating per the NAIC Designation	1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	Total Current Year	Col. 6 as a % of Line 10.7	Total from Col. 6 Prior Year	% From Col. 7 Prior Year	Total Publicly Traded	Total Privately Placed
6. Public Utilities (Unaffiliated), Sche		5)									(/
6.1 Class 1						0	0.0	0	0.0		
6.2 Class 2						0	0.0	0	0.0		
6.3 Class 3						0	0.0	0	0.0		
6.4 Class 4	-					0	0.0	0	0.0		
6.5 Class 5						0	0.0	0	0.0		
6.6 Class 6						0	0.0	0	0.0		
6.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
7. Industrial & Miscellaneous (Unaffil	liated), Schedules D &	DA (Group 7)									
7.1 Class 1	1,004,000					1,004,000	100.0	1,189,000	100.0	1,004,000	
7.2 Class 2						0	0.0	0	0.0		
7.3 Class 3						0	0.0	٥	0.0		
7.4 Class 4						0	0.0	0	0.0		
7.5 Class 5						0	0.0	0	0.0		
7.6 Class 6						0	0.0	0	0.0		
7.7 Totals	1,004,000	0	0	0	0	1,004,000	100.0	1,189,000	100.0	1,004,000	0
8. Credit Tenant Loans, Schedules D	& DA (Group 8)										
8.1 Class 1						0	0.0	0	0.0		
8.2 Class 2						0	0.0	0	0.0		
8.3 Class 3						0	0.0	0	0.0		
8.4 Class 4						0	0.0	0	0.0		
8.5 Class 5						0	0.0	0	0.0		
8.6 Class 6						0	0.0	0	0.0		
8.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
9. Parent, Subsidiaries and Affiliates,	, Schedules D & DA (G	roup 9)									
9.1 Class 1						0	0.0	٥	0.0		
9.2 Class 2						0	0.0	0	0.0		
9.3 Class 3						0	0.0	0	0.0		
9.4 Class 4						0	0.0	0	0.0		
9.5 Class 5		ļ				0	0.0	0	0.0		
9.6 Class 6						0	0.0	0	0.0		

SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations 10 Over 1 Year Through Total from Col. 6 Total Publicly Total Privately Placed Over 5 Years Through Over 10 Years Col. 6 as a % From Col. 7 Quality Rating per the NAIC Designation Through 20 Years Over 20 Years Prior Year 1 Year or Less 5 Years 10 Years **Total Current Year** % of Line 10.7 Prior Year Traded (a) 10. Total Bonds Current Year 10.1 Class 1 .1,004,000 .1,004,000 100.0 XXX XXX ..1,004,000 .XXX. 10.2 Class 2 ..0.0 XXX. .XXX. ..0.0 XXX. 10.3 Class 3 .XXX. 10.4 Class 4 0.0. XXX. XXX 10.5 Class 5 0.0 XXX 0.0 XXX XXX 10.6 Class 6 0 10.7 Totals 1.004.000 1,004,000 100.0 XXX XXX 1.004.000 10.8 Line 10.7 as a % of Col. 6 100.0 0.0 0.0 0.0 0.0 100.0 XXX XXX XXX 100.0 0.0 11. Total Bonds Prior Year 1.189.000 100.0 1.189.000 XXX 11.1 Class 1 XXX XXX 11.2 Class 2 0.0 11.3 Class 3 XXX XXX 0.0 11.4 Class 4 XXX XXX 0.0 11.5 Class 5 XXX XXX 0.0 11.6 Class 6 0 XXX XXX 0.0 .XXX. 11.7 Totals 1,189,000 ...0 .XXX. .1,189,000 .100.0 ..1,189,000 11.8 Line 11.7 as a % of Col. 8 0.0 100.0 0.0 0.0 0.0 XXX XXX 100.0 XXX 100.0 0.0 12. Total Publicly Traded Bonds 1.004.000 12.1 Class 1 1.004.000 1.004.000 100.0 .1,189,000 .100.0 XXX 12.2 Class 2 0 0 .0.0 XXX 12.3 Class 3 0.0 XXX 0.0 0.0 XXX 12.4 Class 4 0.0 XXX 12.5 Class 5 0.0 XXX 12.6 Class 6 0.0 0.0 100.0 1,189,000 12.7 Totals 1,004,000 1,004,000 .1,004,000 XXX 12.8 Line 12.7 as a % of Col. 6. 100.0 0.0 0.0 0.0 0.0 100.0 XXX XXX XXX 100.0 XXX 12.9 Line 12.7 as a % of Line 10.7, Col. 6. Section 10 100.0 0.0 0.0 0.0 0.0 100.0 XXX XXX 100.0 XXX 13. Total Privately Placed Bonds XXX 13.1 Class 1 13.2 Class 2 0.0 0.0 XXX 13.3 Class 3 0.0 0.0 XXX 13.4 Class 4 0.0 0.0 XXX XXX 13.5 Class 5 0.0 0.0 XXX 13.6 Class 6 0.0 0 0 13.7 Totals 0.0 0.0 XXX 0.0 0.0 ..0.0 0.0 0.0 0.0 XXX. XXX XXX XXX. .0.0 13.8 Line 13.7 as a % of Col. 6 13.9 Line 13.7 as a % of Line 10.7, 0.0 0.0 0.0 0.0 0.0 XXX XXX XXX XXX 0.0 Col. 6. Section 10

⁽a) Includes \$ freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.

⁽c) Includes \$ current year, \$ prior year of bonds with 5* designations and \$, current year, \$ prior year of bonds with 6* designation was assigned by the SVO in reliance on the insurer's certification of principal and interest payments. "6*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.

SCHEDULE D - PART 1A - SECTION 2

Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture Manufacture		Maturity Dietribu			at Book/Adjusted C			vne of Issues				
1.1.1.6 Georgeometric Scheduler D. B.D. (Scheduler	Division of T	1	2 Over 1 Year	3 Over 5 Years	4 Over 10 Years	5	6	7 Col. 6 as a %	Total from Col 6	% From Col. 7	Total Publicly	Total Privately
1.1 Issure Offolgeriers		1 Year or Less	Through 5 Years	Through 10 Years	Through 20 Years	Over 20 Years	Total Current Year	of Line 10.7	Prior Year	Prior Year	Traded	Placed
1.2 Single Claim Mortgage-Backed Securities 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		T		1	4			0.0		0.0		
1.7 Totals							0		0			
2. AU OBJEC Governments, Schedules D. & D. (Comp. 2) 2. Single Class Mortgage Backed Asset Securities 0 0.0 0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0							0		0			
2.1 Issuer Obligations	1.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	
2.1 Issuer Obligations	2. All Other Governments, Schedules D & DA (Group 2)											
MULTICLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES	2.1 Issuer Obligations				<u> </u>		.0	0.0	0	0.0		
MULTICLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES	2.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0	0	0.0		
2.4 Offer	MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES							0	0.0	0	0.0		
Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Section Sect	2.4 Other						0	0.0	0	0.0		
2.5 Defined												
2.5 Oher							0	0.0	0	0.0		
2.7 Totals						•	n		n			
3. Sisser Fortindes, and Passessions Guaranteed. Schedules D. BA (Group 3) 3. Issuer Obligations 3. Single Class Mortgage Backed/Asset Backed Securities 3. Solend 3. Single Class Mortgage Backed/Asset Backed Securities 4. O 0.0 0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.		0	Λ	Λ	۸	Λ	0		0		Λ	
3.1 Issuer Obligations		U	U	U	U	U	U	0.0	U	0.0	U	
2. Single Class Mortgage-Backed Asset-Backed Securities 0 0.0 0 0.0 0 0.0 0 0.0 0		l			1		n	0.0	n	0.0		
3.3 Defined	3.2 Single Class Mortgage-Backed/Asset-Backed Securities						0		0			• • • • • • • • • • • • • • • • • • • •
MULTICLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES 3.5 Defined 3.6 Other	3.3 Defined						0		0			
3.5 Defined 0 0.0 0 0.0 0 0.0 0 0	MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-						u		U	0.0		
3.7 Totals	3.5 Defined						0		0			
4. Political Subdivisions of States. Territories and Possessions, Guaranteed. Schedules D & DA (Group 4)			^	^		^	0		0		^	
4.1 Issuer Obligations		0	0	0	0	0	0	0.0	0	0.0	0	
4.2 Single Class Mortgage-Backed/Asset-Backed Securities 4.3 Defined 4.4 Other MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED/ASSET-BACKED SECURITIES 4.5 Defined 4.6 Other 4.7 Totals 5.1 Special Revenue & Special Assessment Obligations etc., Non-Guaranteed, Schedules D & DA (Group 5) 5.2 Single Class Mortgage-Backed/Asset-Backed Securities MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED/ASSET-BACKED/ASSET-BACKED/ASSET-BACKED SECURITIES 4.6 Other 4.7 Other MULTI-CLASS SESIDENTIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES 5.1 Defined 5.2 Single Class Mortgage-Backed/Asset-Backed Securities MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED/ASSET-BACKED/ASSET-BACKED SECURITIES 5.5 Defined 5.6 Other 5.7 Defined 5.8 Defined 5.9 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.1 Defined 5.3 Defined 5.4 Other 5.5 Defined 5.6 Other 5.7 Defined 5.8 Defined 5.9 Defined 5.9 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined		ules D & DA (Group 4)								0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES 4.3 Defined 4.4 Other BACKED SECURITIES 4.5 Defined 4.6 Other 4.7 Totals 5.1 Suser Obligations etc., Non-Guaranteed, Schedules D & DA (Group 5) 5.1 Issuer Obligations 5.2 Single Class Mortgage-Backed/Asset-Backed Securities MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES 4.5 Other 4.6 Other 4.7 Totals 5.1 Suser Obligations 5.2 Single Class Mortgage-Backed/Asset-Backed Securities MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES 5.3 Defined 5.4 Other MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES 5.5 Defined 5.6 Other 5.7 Defined 5.8 Defined 5.9 Defined 5.9 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined 5.0 Defined	4.1 Issuer Obligations				ļ		0		0			
4.4 Other	4.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0	0	0.0		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES 8.5 Decinal Revenue & Special Assessment Obligations etc., Non-Guaranteed, Schedules D & DA (Group 5) 5.1 Issuer Obligations 5.2 Single Class Mortgage-Backed/Asset-Backed Securities MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES 5.3 Defined MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES BACKED SECURITIES 5.5 Defined MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES BACKED SECURITIES 5.6 Other 0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	4.3 Defined						o		0			
BACKED SECURITIES 4.5 Defined 4.6 Other 4.6 Other 4.7 Totals 5.1 Issuer Obligations etc., Non-Guaranteed, Schedules D & DA (Group 5) 5.1 Issuer Obligations 5.2 Single Class Mortgage-Backed/Asset-Backed Securities MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES 5.3 Defined 5.4 Other MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES BACKED SECURITIES 5.5 Defined 5.6 Other 9 0.0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0							0	0.0	0	0.0		
4.6 Other												
4.7 Totals	4.5 Defined						0	0.0	0			
4.7 Totals	4.6 Other						0	0.0	0	0.0		
S. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed, Schedules D & DA (Group 5)		0	0	0	0	0	0		0	0.0	0	
5.1 Issuer Obligations 0 0.0 0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 </td <td></td> <td>Jules D & DA (Group 5)</td> <td></td> <td></td> <td><u> </u></td> <td></td> <td><u> </u></td> <td>3.0</td> <td>· ·</td> <td>3.0</td> <td></td> <td></td>		Jules D & DA (Group 5)			<u> </u>		<u> </u>	3.0	· ·	3.0		
Single Class Mortgage-Backed/Asset-Backed Securities		AICO D & DA (GIOUD 3)			1		0	0.0	n	0.0		
5.3 Defined	5.2 Single Class Mortgage-Backed/Asset-Backed Securities MILITICIASS RESIDENTIAL MORTGAGE BACKED SECURITIES						0		0			
5.4 Other							n	0.0	n	0.0		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES 0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0			•		†	• • • • • • • • • • • • • • • • • • • •	n		n			
5.6 Other 0 0.0 0 0.0	MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-								U			
5.6 Other 0 0.0 0 0.0	5.5 Defined						0	0.0	0	0.0		
							0		0			
		Λ	Λ	Λ	Λ	Λ	n		n		Λ	

SCHEDULE D - PART 1A - SECTION 2 (continued)

, ,	1	2	3	4	5	6	7	8	_	10	
				4	J	U	,	-	9		11
		Over 1 Year Through	Over 5 Years	Over 10 Years			Col. 6 as a	Total from Col. 6	% From Col. 7	Total Publicly	Total Privately
A B 10 1000 // // // // // // // // // // // //	1 Year or Less	5 Years	Through 10 Years	Through 20 Years	Over 20 Years	Total Current Year	% of Line 10.7	Prior Year	Prior Year	Traded	Placed
6. Public Utilities (Unaffiliated), Schedules D & DA (Group	ıp 6)										İ
6.1 Issuer Obligations						0	0.0	0	0.0		
6.2 Single Class Mortgage-Backed/Asset-Based											I
Securities						0	0.0	0	0.0		J
MULTI-CLASS RESIDENTIAL MORTGAGE- BACKED SECURITIES											1
6.3 Defined						0	0.0	0	0.0		<u> </u>
6.4 Other						0	0.0	0	0.0		
MULTI-CLASS COMMERCIAL MORTGAGE- BACKED/ASSET-BACKED SECURITIES											
6.5 Defined						0	0.0	0	0.0		
6.6 Other						0	0.0	0	0.0		
6.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
7. Industrial & Miscellaneous (Unaffiliated), Schedules D) & DA (Group 7)										I
7.1 Issuer Obligations	1,004,000					1,004,000	100.0	1,189,000	100.0	1,004,000	
7.2 Single Class Mortgage-Backed/Asset-Based Securities						0	0.0	0	0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE- BACKED SECURITIES											1
7.3 Defined						0	0.0	0	0.0		l
7.4 Other						0	0.0	0	0.0		1
MULTI-CLASS COMMERCIAL MORTGAGE- BACKED/ASSET-BACKED SECURITIES											
7.5 Defined						0	0.0	0	0.0		1
7.6 Other						0	0.0	0	0.0		I
7.7 Totals	1.004.000	0	0	0	0	1.004.000	100.0	1,189,000	100.0	1.004.000	0
8. Credit Tenant Loans, Schedules D & DA (Group 8)	, , , , , , , , , , , , , , , , , , , ,			-		, ,		,,		, , , , , , , , , , , , , , , , , , , ,	
8.1 Issuer Obligations						0	0.0	0	0.0		I
8.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	n
9. Parents, Subsidiaries and Affiliates, Schedules D & DA	A (Group 9)	0		0	0	, and the second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second	3.0	0	0.0		
9.1 Issuer Obligations						0	0.0	0	0.0		I
9.2 Single Class Mortgage-Backed/Asset-Based											
Securities						0	0.0	0	0.0		L
MULTI-CLASS RESIDENTIAL MORTGAGE- BACKED SECURITIES											
9.3 Defined						0	0.0	0	0.0		L
9.4 Other						0	0.0	0	0.0		
MULTI-CLASS COMMERCIAL MORTGAGE- BACKED/ASSET-BACKED SECURITIES											
9.5 Defined						0	0.0	0	0.0		L
9.6 Other						0	0.0	0	0.0		
9.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0.

13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE CAPE HEALTH PLAN, INC.

SCHEDULE D - PART 1A - SECTION 2 (continued)

Over 5 Years Over 10 Years Total From Col. 6 6 From Col. 7 Over 1 Year Total Col. 6 as a % Total Publicly Total Privately hrough 10 Years Through 20 Years Over 20 Years Prior Year Distribution by Type 1 Year or Less Through 5 Years Current Year of Line 10.7 Prior Year Traded Placed 10. Total Bonds Current Year .1,004,000 .1,004,000 .100.0 .1,004,000 10.1 Issuer Obligations 10.2 Single Class Mortgage-Backed/Asset-Backed Bonds ...0..0 .XXX. XXX. MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES XXX. ..0.0 10.3 Defined XXX 10.4 Other 0.0 XXX MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES XXX XXX 0.0. 10.5 Defined XXX XXX 10.6 Other 0 0.0 10.7 Totals 1.004.000 1.004.000 .100.0 XXX XXX 1.004.000 10.8 Line 10.7 as a % of Col. 6 100.0 0.0 0.0 0.0 0.0 100.0 XXX XXX XXX 100.0 0.0 11. Total Bonds Prior Year .1.189.000 XXX XXX. .1.189.000 .100.0 1.189.000 11.1 Issuer Obligations XXX XXX. 11.2 Single Class Mortgage-Backed/Asset-Backed Bonds ..0.0 MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES XXX. XXX. 11.3 Defined .0.0 XXX. XXX. ...0..0 11.4 Other MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES 11.5 Defined XXX XXX 0.0 XXX XXX 0 0 11.6 Other 11.7 Totals 1.189.000 XXX XXX .1.189.000 .100.0 1.189.000 0.0 0.0 0.0 100.0 0.0 0.0 XXX XXX 100.0 XXX 100.0 11.8 Line 11.7 as a % of Col. 8 12. Total Publicly Traded Bonds .100.0 .100.0 .1.004.000 12.1 Issuer Obligations .1.004.000 .1.004.000 .1.189.000 XXX. 12.2 Single Class Mortgage-Backed/Asset-Backed Bonds .0.0 ..XXX. ...0.0 MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES 12.3 Defined .0.0 ..0.0 ..XXX. .0.0 ..0.0 ...XXX... 12.4 Other MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES .0.0 XXX. 12.5 Defined 0.0 0.0 12.6 Other XXX 100.0 1,189,000 100.0 1.004.000 .004.000 .004.000 XXX 12.7 Totals 0.0 0.0 0.0 100.0 XXX 100.0 12.8 Line 12.7 as a % of Col. 6. 100.0 .0.0 XXX XXX XXX 100.0 0.0 0.0 0.0 0.0 100.0 XXX XXX XXX 100.0 XXX 12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10 13. Total Privately Placed Bonds 0.0 0.0 13.1 Issuer Obligations 13.2 Single Class Mortgage-Backed/Asset-Backed Bonds .0.0 0 0 XXX MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES 0.0. .0.0 13.3 Defined XXX .0.0 ..0.0 XXX. 13.4 Other MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES .0.0 0.0 XXX 13.5 Defined 0.0 XXX 13.6 Other 0.0 13.7 Totals .0.0 XXX 0.0 0.0 0.0 0.0 0.0 0.0 0.0 XXX XXX 13.8 Line 13.7 as a % of Col. 6.

0.0

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XXX

XXX

XXX

0.0

SCHEDULE DA - PART 2

Verification of SHORT-TERM INVESTI	MENTS Between Years				
	1	2	3	4	5
	Total	Bonds	Mortgage Loans	Other Short-term Investment Assets(a)	Investments in Parent, Subsidiaries and Affiliates
Book/adjusted carrying value, prior year	0	0	0	0	0
Cost of short-term investments acquired	0				
3. Increase (decrease) by adjustment	0				
Increase (decrease) by foreign exchange adjustment	0				
5. Total profit (loss) on disposal of short-term investments	0				
6. Consideration received on disposal of short-term investments	0				
7. Book/adjusted carrying value, current year	0	0	0	0	0
8. Total valuation allowance	0				
9. Subtotal (Lines 7 plus 8)	0	0	0	0	0
10. Total nonadmitted amounts	0				
11. Statement value (Lines 9 minus 10)	0	0	0	0	0
12. Income collected during year	0				
13. Income earned during year	0				

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment:

SCHEDULE DB - PART A - VERIFICATION BETWEEN YEARS

Verification Between Years of Aggregate Write-in Book Value on Options, Caps, Floors and Insurance Futures Options Owned

1.	Aggregate write-in book value, December 31, prior year (Line 8, prior year)	
2.	Cost/Option Premium (Section 2, Column 7)	
3.	Increase/(Decrease) by Adjustment (Section 1, Column 12)+(Section 3, Column 13)	
4.	Gain/(Loss) on Termination:	
	4.1 Recognized (Section 3, Column 14)	
	4.2 Used to Adjust Basis of Hedged Item (Section 3, Column 15)	
_		,
Э.	Consideration received on terminations (Section 3, Column 12)	
6.	Used to Adjust Basis on Open Contracts (Section 1, Column 13)	
	·,····································	
7.	Disposition of deferred amount on contracts terminated in prior year:	
	7.1 Recognized	
	7.2 Used to Adjust Basis of Hedged Item	
	7.2 Used to Adjust basis of nedged item.	
8.	Aggregate write-in book value, December 31, Current Year (Lines 1 + 2 + 3 + 4 - 5 - 6 - 7)	(

SCHEDULE DB - PART B - VERIFICATION BETWEEN YEARS

Verification Between Years of Aggregate Write-in Book Value on Options, Caps, Floors and Insurance Futures Options Written

1.	Aggregate write-in book value, December 31, prior year (Line 8, prior year)		.0
2.	Consideration received (Section 2, Column 7)		.0
3.	Increase/(Decrease) by Adjustment (Section 1, Column 12)+(Section 3, Column 13)		.0
4.	Gain/(Loss) on Termination:		
	4.1 Recognized (Section 3, Column 14))	
	4.2 Used to Adjust Basis (Section 3, Column 15))	.0
5.	Consideration paid on terminations (Section 3, Column 12)		.0
6.	Used to Adjust Basis on Open Contracts (Section 1, Column 13)		0
7.	Disposition of deferred amount on contracts terminated in prior year:		
	7.1 Recognized		
	7.2 Used to Adjust Basis		.0
8.	Aggregate write-in book value, December 31, Current Year (Lines 1 + 2 + 3 + 4 - 5 - 6 - 7)		.0

SCHEDULE DB - PART C - VERIFICATION BETWEEN YEARS

Verification Between Years of Aggregate Write-in Book Value on Swaps and Forwards

1.	Aggregate write-in book value, December 31, prior year (Section 4, Line 8, prior year)	0
2.	Cost or (Consideration Received) (Section 2, Column 7)	0
3.	Increase/(Decrease) by Adjustment (Section 1, Column 12) plus (Section 3, Column 13)	0
4.	Gain/(Loss) on Termination:	
	4.1 Recognized (Section 3, Column 14)	
	4.2 Used to Adjust Basis of Hedged Item (Section 3, Column 15)	0
5.	Consideration received (or paid) on terminations (Section 3, Column 12)	0
6.	Used to Adjust Basis of Hedged Item on Open Contracts (Section 1, Column 13)	0
7.	Disposition of deferred amount on contracts terminated in prior year:	
	7.1 Recognized	
	7.2 Used to Adjust Basis of Hedged Item	0
8.	Aggregate write-in book value, December 31, Current Year (Lines 1 + 2 + 3 + 4 - 5 - 6 - 7)	0

SCHEDULE DB - PART D - VERIFICATION BETWEEN YEARS

Verification Between Years of Aggregate Write-in Book Value on Futures Contracts and Insurance Futures Contracts

1. Aggregate write-in book value, December 31, prior year (Section 4, Line 8, prior year)			0
2. Change in total Variation Margin on Open Contracts (Difference between years - Section 1, Column 6)			0
3.1 Change in Variation Margin on Open Contracts used to Adjust Basis of Hedged Item (Section 1, Column 11)			0
3.2 Change in variation margin on open contracts recognized (Difference between years - Section 1, Column 10)			0
4.1 Variation Margin on Contracts Terminated During the Year (Section 3, Column 6)		0	
4.2 Less:			
4.21 Gain/(Loss) Recognized in Current Year (Section 3, Column 11)			
4.22 Gain/(Loss) Used to Adjust Basis of Hedge (Section 3, Column 12)	0	0	
4.3 Subtotal (Line 4.1 minus Line 4.2)			0
5.1 Net additions to Cash Deposits (Section 2, Column 7)			
5.2 Less: Net Reductions to Cash Deposits (Section 3, Column 9)		0	0
6. Subtotal (Lines 1 - 2 + 3.1 + 3.2 - 4.3 + 5.2)			0
7. Disposition of Gain/(Loss) on Contracts Terminated in Prior Year:			
7.1 Recognized			
7.2 Used to Adjust Basis of Hedged Item			0
8. Aggregate write-in book value, December 31, Current Year (Lines 6 + 7.1 + 7.2)			0

SCHEDULE DB - PART E - VERIFICATION BETWEEN YEARS

Verification of Statement Value and Fair Value of Open Contracts

Statement Value

1.	Part A, Section 1, Column 10	0
2.	Part B, Section 1, Column 10.	0
3.	Part C, Section 1, Column 10	0
4.	Part C, Section 1, Column 10. Part D, Section 1, Column 9 - 12. Lines (1) - (2) + (3) + (4).	0
5.	Lines (1) - (2) + (3) + (4)	0
6.	Part E, Section 1, Column 4	0
7.	Part E, Section 1, Column 5	0
8.	Lines (5) - (6) - (7)	0
		Fair Value
9.	Part A, Section 1, Column 11	0
9. 10.	Part B. Section 1, Column 11.	0
9. 10. 11.	Part A, Section 1, Column 11 Part B, Section 1, Column 11 Part C, Section 1, Column 11	0
10. 11.	Part B. Section 1, Column 11.	0 0
10. 11.	Part B, Section 1, Column 11	0 0 0
10. 11. 12. 13. 14.	Part B, Section 1, Column 11. Part C, Section 1, Column 11. Part D, Section 1, Column 9. Lines (9) - (10) + (11) + (12). Part E, Section 1, Column 7.	0 0 0 0
10. 11. 12. 13. 14.	Part B, Section 1, Column 11. Part C, Section 1, Column 11. Part D, Section 1, Column 9. Lines (9) - (10) + (11) + (12).	0 0 0 0 0

SCHEDULE DB - PART F- SECTION 1

Summary of Replicated (Synthetic) Assets Open

	Replicated	d (Synthetic) Asset			Components of the Replicated (Synthetic) Asset								
1	2	3	4	5	Derivative Instruments (Open	1		Instrument(s) H	eld			
	_	3	•		6	7	8	9	10	11	12		
Replication		NAIC			-			-			NAIC		
Replication RSAT		Designation or	Statement						Statement		NAIC Designation or Other Description		
Number	Description	Other Description	Value	Fair Value	Description	Fair Value	CUSIP	Description	Value	Fair Value	Other Description		
				• • • • • • • • • • • • • • • • • • • •									
9999999 Totals					XXX		XXX	XXX			XXX		

SCHEDULE DB - PART F - SECTION 2

Reconciliation of Replicated (Synthetic) Assets Open

Reconciliation of Replicated (Synthetic) Assets Open											
	First C)uarter	Second	Quarter	Third (Quarter	Fourth	Quarter	uarter Year-to-Date		
	1	2	3	4	5	6	7	8	9	10	
		Total Replicated									
		(Synthetic) Assets		(Synthetic) Assets		(Synthetic) Assets		(Synthetic) Assets		(Synthetic) Assets	
	Number of Positions	Statement Value									
Beginning Inventory	0	0	0	0	0	0	0	0	0	0	
]											
Add: Opened or Acquired Transactions									0	0	
· ·											
Add: Increases in Replicated Asset Statement Value	XXX		ХХХ		ХХХ		ХХХ		ХХХ	0	
·											
									_	_	
Less: Closed or Disposed of Transactions									0	0	
Less: Positions Disposed of For Failing Effectiveness											
Criteria									0	0	
Less: Decreases in Replicated (Synthetic) Asset	VVV										
Statement Value	XXX		XXX		XXX		XXX		XXX	0	
l											
7. Ending Inventory	0	0	0	0	0	0	0	0	0	0	

SCHEDULE S - PART 1 - SECTION 2

	Reinsurance Assumed for Accident and Health Insurance Listed by Reinsured Company as of December 31, Current Year										
1	2	3	4	5	6	7	8	9	10	11	12
								Reserve Liability			
NAIC					Type of Reinsurance			Other Than for	Reinsurance	Modified	
Company	Federal ID				Reinsurance		Unearned	Unearned	Payable on Paid	Coinsurance	Funds Withheld
Code	Number	Effective Date	Name of Reinsured	Location	Assumed	Premiums	Premiums	Premiums	Reinsurance Payable on Paid and Unpaid Losses	Reserve	Funds Withheld Under Coinsurance
		•									
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SCHEDULE S - PART 2 Reinsurance Recoverable on Paid and Unpaid Losses Listed by Reinsuring Company as of December 31, Current Year

1	2	3	4	insuring Company as of December 31, Curre	6	7	
NAIC Company	Federal ID						
Code	Number	Effective Date	Name of Company	Location	Paid Losses	Unpaid Losses	
						ļ	
0799999 - To	otals						

SCHEDULE S - PART 3 - SECTION 2

	Reinsurance Ceded Accident and Health Insurance Listed by Reinsuring Company as of December 31, Current Year											
1	2	3	4	5	6	7	8	9	Outstanding :	Surplus Relief	12	13
NAIC								Reserve Credit	10	11	Modified	
Company	Federal ID						Unearned Premiums	Taken Other than for			Coinsurance	Funds Withheld
Code	Number	Effective Date	Name of Company	Location	Type	Premiums	(estimated)	Unearned Premiums	Current Year	Prior Year	Reserve	Under Coinsurance
67105	41-0451140	04/01/2002		Minneapolis, MN.	0TH/L	117 , 306						
0199999	- Total Affiliate	S				117,306						
		• • • • • • • • • • • • • • • • • • • •										
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	•											
0399999	7 Totals					117,306						

SCHEDULE S - PART 4

	Reinsurance Ceded to Unauthorized Companies												
1	2	3	4	5	6	7	8	9	10	11	12	13	14 Sum of Cols.
NAIC Company	Federal ID	Effective		Reserve Credit	Paid and Unpaid Losses Recoverable		Total			Funds Deposited by and Withheld from		Miscellaneous	9+10+11+12+13 But Not in Excess of
Code	Federal ID Number	Date	Name of Reinsurer	Taken	(Debit)	Other Debits	Cols. (5+6+7)	Letters of Credit	Trust Agreements	Reinsurers	Other	Balances (Credit)	Col. 8
	· · · · · · · · · · · · · · · · · · ·												
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1199999	I otals												

Schedule S-Part 5 Five-Year Exhibit of Reinsurance Ceded Business (000 Omitted)

	(000 Offilitea)								
		1 2002	2 2001	3 2000	4 1999	5 1998			
Α. (DPERATIONS ITEMS								
1.	Premiums	0	0	0	0	0			
2.	Title XVIII-Medicare	0	0	0	0	0			
3.	Title XIX-Medicaid	117	101	123	100	0			
4.	Commissions and reinsurance expense allowance		0	0	0	0			
5.	Total medical and hospital expenses		0	0	0	0			
В. І	BALANCE SHEET ITEMS								
6.	Premiums receivable		0	0	0	0			
7.	Claims payable		0	0	0	0			
8.	Reinsurance recoverable on paid losses	0	0	0	0	0			
9.	Experience rating refunds due or unpaid		0	0	0	0			
10.	Commissions and reinsurance expense allowances unpaid		0	0	0	0			
11.	Unauthorized reinsurance offset	0	0	0	0	0			
C. I	UNAUTHORIZED REINSURANCE (DEPOSITS BY AND FUNDS WITHHELD FROM)								
12.	Funds deposited by and withheld from (F)	0	0	0	0	0			
13.	Letters of credit (L)	0	0	0	0	0			
14.	Trust agreements (T)	0	0	0	0	0			
15.	Other (O)	0	0	0	0	0			

SCHEDULE S-PART 6

Restatement of Balance Sheet to Identify Net Credit For Ceded Reinsurance

	restatement of Balance officer to facility Net of	1	2	3
		As Reported (net of ceded)	Restatement Adjustments	Restated (gross of ceded)
	ASSETS (Page 2, Col. 3)			
1.	Cash and invested assets (Line 9)	24,469,111		24,469,111
2.	Amounts recoverable from reinsurers (Line 12)	0		0
3.	Accident and health premiums due and unpaid (Line 10)	0		0
4.	Net credit for ceded reinsurance.	XXX	0	0
5.	All other admitted assets (Balance)	. 3,414,185		3,414,185
6.	Total assets (Line 23)	27,883,296	0	27,883,296
	LIABILITIES, CAPITAL AND SURPLUS (Page 3)			
7.	Claims unpaid (Line 1)	13,750,000	0	13,750,000
8.	Accrued medical incentive pool and bonus payments (Line 2)	480,000		480,000
9.	Premiums received in advance (Line 6)	0		0
10.	Reinsurance in unauthorized companies (Line 14)	0		0
11.	All other liabilities (Balance)	6,773,048		6,773,048
12.	Total liabilities (Line 18)	21,003,048	0	21,003,048
13.	Total capital and surplus (Line 26)	6,880,248	XXX	6,880,248
14.	Total liabilities, capital and surplus (Line 27)	27,883,296	0	27,883,296
	NET CREDIT FOR CEDED REINSURANCE			
15.	Claims unpaid	0		
16.	Accrued medical incentive pool	0		
17.	Premiums received in advance	0		
18.	Reinsurance recoverable on paid losses	0		
19.	Other ceded reinsurance recoverables	0		
20.	Total ceded reinsurance recoverables	0		
21.	Premiums receivable	0		
22.	Unauthorized reinsurance	0		
23.	Other ceded reinsurance payables/offsets	. 0		
24.	Total ceded reinsurance payable/offsets	0		
25.	Total net credit for ceded reinsurance	0		

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SCHEDULE Y (continued) PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

	PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES											
1	2	3	4	5	6	7	8	9	10	11	12	13
						Income/						
					Purchases, Sales or							
					Exchanges of	Incurred in						Reinsurance
					Loans, Securities,	Connection with		Income/		Any Other Material Activity Not in the Ordinary Course of		Recoverable/
					Real	Guarantees or		(Disbursements)		Activity Not in the		(Payable) on Losses
NAIC				0 11 1	Estate, Mortgage	Undertakings for the Benefit of any	Management Agreements and	Incurred Under		Ordinary Course of		and/or Reserve
Company	Federal ID	N CI ID I O I I I I ACCILI	Shareholder	Capital	Loans or Other	Benefit of any	Agreements and	Reinsurance		the Insurer's	-	Credit
Code	Number	Names of Insurers and Parent, Subsidiaries or Affiliates	Dividends	Contributions	Investments	Affiliate(s)	Service Contracts	Agreements		Business	Totals	Taken/(Liability)
95759	38 - 3435959 38 - 2455176 38 - 3300867 38 - 3511552	HCLB, Inc	(1,250,000) 1,250,000							•	(1,250,000) 1,250,000	
957 59	. 30-2433170	Cape Realth Fian, Inc.	1,200,000			•	• • • • • • • • • • • • • • • • • • • •			•	1,230,000	
	30 - 3300007	Cano Management Inc								•	U	
	30-3311332	Cape management, inc.								•		
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9999999 (Control Totals		0	0	0	0	0	0	XXX	0	0	0

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your annual statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

MARCH FILING

1.	Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?	Yes	[]	No [Χ]
2.	Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?	Yes	[X]	No []
3.	Will an actuarial certification be filed by March 1?	Yes	[X]	No []
4.	Will the Risk-based Capital Report be filed with the NAIC by March 1?	Yes	[X]	No []
5.	Will the Risk-based Capital Report be filed with the state of domicile, if required by March 1?	Yes	[X]	No []
6.	Will the SVO Compliance Certification be filed by March 1?	Yes	[X]	No []
	APRIL FILING					
7.	Will Management's Discussion and Analysis be filed by April 1?	Yes	[X]	No []
8.	Will the Long-term Care Experience Reporting Forms be filed with the state of domicile by April 1?	Yes	[]	No [Χ]
9.	Will the Investment Risks Interrogatories be filed by April 1?	Yes	[X]	No []
	JUNE FILING					
10.	Will an audited financial report be filed by June 1 with the state of domicile?	Yes	[X]	No []

EXPLANATIONS:

BAR CODE:





OVERFLOW PAGE FOR WRITE-INS

M002 Additional Aggregate Lines for Page 02 Line 22.

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2204. Leasehold Impl	rovement	61,1	152		61,152	74,026
2297. Summary of rei	maining write-ins for Line 22 from Page 2	61,1	152	0	61,152	74,026

M003 Additional Aggregate Lines for Page 03 Line 17.

*	LI	A	۱	3	

1704.	Accrued Profit Sharing	0		0	166,263
1705.	Accrued 401(k) Match	1,865		1,865	2,559
1706.	Accrued Taxes	0	L	0	91,000
1797.	Summary of remaining write-ins for Line 17 from Page 03	1,865	0	1,865	259,822